



CMS-1620-N

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Centers for Medicare & Medicaid Services

[CMS-1620-N]

Medicare Program; Notification of Closure of Teaching Hospital and Opportunity to Apply for Available Slots

AGENCY: Centers for Medicare & Medicaid Services (CMS), HHS.

ACTION: Notice.

SUMMARY: This notice announces the closure of one teaching hospital and the initiation of an application process for hospitals to apply to the Centers for Medicare & Medicaid Services (CMS) to receive Long Beach Medical Center's full time equivalent (FTE) resident cap slots.

DATES: We will consider applications received no later than 5 p.m. (e.s.t.) **[Insert date 90 days after the date of display in the Federal Register.]** Applications must be received, not postmarked, by this date.

FOR FURTHER INFORMATION CONTACT:

Miechal Lefkowitz, (212) 616-2517.

SUPPLEMENTARY INFORMATION:

I. Background

Section 5506 of the Patient Protection and Affordable Care Act (Pub. L. 111-148), as amended by the Health Care and Education Reconciliation Act of 2010 (Pub. L. 111-152) (collectively, the "Affordable Care Act"), "Preservation of Resident Cap Positions from Closed Hospitals," authorizes the Secretary of the Department of Health

and Human Services (the Secretary) to redistribute residency slots after a hospital that trained residents in an approved medical residency program closes. Specifically, section 5506 of the Affordable Care Act amended the Social Security Act (the Act) by adding subsection (vi) to section 1886(h)(4)(H) of the Act and modifying language at section 1886(d)(5)(B)(v) of the Act, to instruct the Secretary to establish a process to increase the full time equivalent (FTE) resident caps for other hospitals based upon the FTE resident caps in teaching hospitals that closed “on or after a date that is 2 years before the date of enactment” (that is, March 23, 2008). In the November 24, 2010 CY 2011 Outpatient Prospective Payment System (OPPS) final rule (75 FR 72212), we established regulations and an application process for qualifying hospitals to apply to CMS to receive direct graduate medical education (GME) and indirect medical education (IME) FTE resident cap slots from the hospital that closed. We made certain modifications to those regulations in the FY 2013 Hospital Inpatient Prospective Payment System/Long Term Care Hospital final rule (FY 2013 IPPS/LTCH PPS final rule (77 FR 53434 through 53447)). The procedures we established apply both to teaching hospitals that closed on or after March 23, 2008 and on or before August 3, 2010, and to teaching hospitals that closed after August 3, 2010.

II. Provisions of the Notice

A. Notice of Closure of Teaching Hospital and Application Process

CMS has learned of the closure of one teaching hospital, Long Beach Medical Center, of Long Beach, NY. The purpose of this notice is to notify the public of the closure of this teaching hospital, and to initiate another round of the application and selection process described in section 5506 of the Affordable Care Act. This round will

be the seventh round (“Round 7”) of the application and selection process. The table below identifies the closed teaching hospital, which is part of the Round 7 application process under section 5506 of the Affordable Care Act:

Teaching Hospital Closure

Provider Number	Provider Name	City and State	CBSA Code	Terminating Date	IME Cap (including +/- MMA Sec. 422 ² Adjustments)	Direct GME Cap (including +/-MMA Sec. 422 ² Adjustments)
330225	Long Beach Medical Center	Long Beach, NY	35004 ¹	February 1, 2014	26.79	26.79 + 2.10 section 422 increase =28.89 ³

¹ The CBSA codes applicable to the Round 7 application process are those in effect for the FY 2014 IPPS, not the new CBSA codes proposed by CMS for the FY 2015 IPPS in the FY 2015 IPPS proposed rule (79 FR 28055).

² Section 422 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), Pub. L. 108-173, redistributed unused residency slots effective July 1, 2005.

³ Long Beach Medical Center’s 1996 direct GME FTE cap is 26.79. Under section 422 of the MMA, the hospital received an increase of 2.10 to its direct GME FTE cap: 26.79 + 2.10 =28.89. We note that under 42 CFR 413.77(g), direct GME FTE cap slots associated with an increase received under section 422 of the MMA are to be paid using the appropriate locality-adjusted national average per resident amount (PRA).

B. Application Process for Available Resident Slots

The application period for hospitals to apply for slots under section 5506 is 90 days following notification to the public of a hospital closure. Therefore, hospitals wishing to apply for and receive slots from the above hospitals’ FTE resident caps must submit applications directly to the CMS Central Office no later than **[Insert date 90 days after the date of display in the Federal Register.]** The mailing address for the CMS Central Office is included on the application form. Applications must be received by the **[Insert date 90 days after the date of display in the Federal Register.]** deadline date. It is not sufficient for applications to be postmarked by this date. After an applying hospital sends a hard copy of a section 5506 application to the CMS Central Office mailing address, they must also send an email to:

ACA5506application@cms.hhs.gov. In the email, the hospital should state: “On

behalf of [insert hospital name and Medicare CMS Certification Number], I am sending this email to notify CMS that I have mailed to CMS a hard copy of a section 5506 application under Round 7 due to the closure of Long Beach Medical Center.” An applying hospital should not attach an electronic copy of the application to the email. The email will only serve as notification that a hard copy application has been mailed to the CMS Central Office.

In the CY 2011 Outpatient Perspective Payment System/Ambulatory Surgical Center (OPPS/ASC) final rule with comment period, we did not establish a deadline by when CMS would issue the final determinations to hospitals that receive slots under section 5506 of the Affordable Care Act. However, we will review all applications received by the deadline and notify applicants of our determinations as soon as possible.

We refer readers to the CMS Web site at <http://www.cms.gov/Medicare/Medicare-Fee-for-Service-Payment/AcuteInpatientPPS/dgme.html> to download a copy of the application form (section 5506 CMS Application Form) that hospitals are to use to apply for slots under section 5506 of the Affordable Care Act. We also refer readers to this same Web site to access a copy of the CY 2011 OPPS/ASC final rule with comment period, a copy of the FY 2013 Inpatient Perspective Payment System Long Term Care Hospital (IPPS/LTCH) PPS final rule (77 FR 53434 through 53447), and a list of additional section 5506 guidelines for an explanation of the policy and procedures for applying for slots, and the redistribution of the slots under sections 1886(h)(4)(H)(vi) and 1886(d)(5)(B)(v) of the Act. (We note that in the FY 2015 IPPS proposed rule (79 FR 28154 through 28161),

CMS proposed additional changes to the section 5506 application process. However, those proposed changes do not apply to this Round 7 application process).

III. Collection of Information Requirements

This document does not impose any new information collection requirements, that is, any reporting, recordkeeping or third-party disclosure requirements, as defined under the Paperwork Reduction Act of 1995 (5 CFR 1320). Furthermore, all information collection requirements associated with the preservation of resident cap positions from closed hospitals are not subject to the Paperwork Reduction Act, as stated in section 5506 of the Affordable Care Act.

Dated: May 29, 2014.

Marilyn Tavenner,
Administrator,
Centers for Medicare & Medicaid Services.

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